

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/8

27 February 1961

Limited Distribution

COUNCIL
22 February - 3 March

Original: English

APPLICATION OF ARTICLE XXXV TO JAPAN

Statement by the Representative of Japan at Council Meeting on 23 February 1961

At the seventeenth session the leader of the Japanese delegation proposed to the CONTRACTING PARTIES a review of the operation of Article XXXV. I do not intend to reiterate the circumstances which led us to request this review. I only wish to express our appreciation that the CONTRACTING PARTIES, supported by a number of delegations, which spoke in favour of our proposal, have decided to take up this matter.

The CONTRACTING PARTIES referred the matter to this Council for recommendations regarding the scope and timing of the review. In this connexion, we have before us document C/5 distributed by the secretariat giving us an indication of the possible scope. The Japanese delegation wishes to thank the Executive Secretary for this valuable paper which summarizes excellently this complex problem. In my view the paper does constitute a useful basis for discussion.

At this juncture, Mr. Chairman, we should like to propose that a working party be established to deal with the matter.

Further, taking this opportunity, Mr. Chairman, I should like to submit to the Council a few points in regard to the working party which I have just proposed. The working party might examine the effects on trade as well as the cause of the invocation of Article XXXV; the impacts of this invocation on the General Agreement and other relevant matters.

More specifically, as already indicated by the representative of Japan at the seventeenth session in his statement (L/1391), the working party to be established might consider the following matters:

1. Prejudice to the administration of the General Agreement;
2. Prejudice to the attainment of the basic aims of the General Agreement;
3. Cause or reason for the invocation of Article XXXV by different countries;
4. Possibility of obtaining good offices in negotiation with certain countries with a view to having this Article disinvoked or not to be invoked;
5. Other pertinent matters.

If the Council feels it appropriate, it might request the secretariat to send a questionnaire to the contracting parties concerned, to collect necessary information and to consolidate the findings for study by the working party.

Now, Mr. Chairman, I would like to touch briefly upon the views of Japan on the relations between the review to be carried out by the CONTRACTING PARTIES and the bilateral talks. Japan has had bilateral talks with a number of countries which have been maintaining the invocation. We have been doing so with a view that trade relations between Japan and those countries be improved and that these countries might disinvoke Article XXXV vis-à-vis Japan at the earliest opportunity. What we expect from the review is that it would deepen understandings of contracting parties on the circumstances and would help to create a more favourable atmosphere in this regard which would contribute towards freer trade between contracting parties.

Furthermore, we are concerned about the fact that some countries seeking accession to the General Agreement either under Article XXIII or under Article XXVI are considering the invocation of Article XXXV against Japan. We hope the CONTRACTING PARTIES might also consider appropriate arrangements in this regard.

In concluding my statement, Mr. Chairman, I would like to stress that my delegation welcomes any suggestions from members of the Council, in particular from the delegates of those countries which have been maintaining Article XXXV vis-à-vis Japan. We are prepared to listen to any views which would bring about fruitful results to the problem.

